

FULL DISRECTIONARY INVESTMENT MANAGEMENT AGREEMENT

ENTERED INTO BETWEEN

WEALTHGROWTH INVESTMENT MANAGEMENT (PTY) LTD

(Hereinafter referred to as “the financial services provider and/or FSP)

And

Entity name and registration number/Full names and surname and ID no
(Hereinafter referred to as “the client”)

Client Initial

1. INTERPRETATION

1.1 In this agreement, unless inconsistent with or otherwise indicated by the context, the words and expressions herein shall have the meanings as defined in the Financial Advisory and Intermediary Services Act (“FAIS Act”), and the codes of conduct determined by the Registrar of Financial Services Providers:

a) **“investments”** means:

- Shares;
- Debentures;
- Money Market Instruments
- Warrants
- Bonds
- Derivatives
- Participatory Interests in Collective Investment Schemes.

b) **“management”**, in relation to the management of investments by the financial services provider, means the rendering of the management and investment services in terms of the management agreement concluded or to be concluded between the financial services provider and the client or by any other person duly authorised and acting on behalf of the financial services provider’s in terms of this agreement;

1.2 If any provision of this agreement is contrary to or inconsistent with any current or future provision of the FAIS Act or the codes of conduct, the relevant provisions of the FAIS Act shall prevail and this agreement shall be deemed to have been amended accordingly.

1.3 The clause headings in this agreement have been inserted for convenience only and shall not be taken into account in its interpretation.

1.4 If any period is referred to in this agreement by way of reference to a number of days, the days shall be calculated exclusively of the first and inclusively of the last day, unless the last day falls on a day which is not a business day, in which case the last day shall be the next succeeding business day.

2. AUTHORISATION

2.1 The client authorises the financial services provider to manage the following investments on behalf of the client:

- Shares
- Debentures
- Money Market Instruments
- Warrants
- Bonds
- Derivatives
- Participatory Interests in Collective Investment Schemes
- Long-term deposits
- Short-term deposits

2.2 The financial services provider shall exercise its full and unlimited discretion in the management of investments on behalf of the client.

2.3 The funds for investment shall be paid into a separate bank account in the name of the client. The clients’ bank account details are:

Client Initial

2.4 The financial services provider will be entitled to authorised deductions from the clients account and that includes expenses incurred by the Financial Service Provider on the clients' behalf and or management fees.

2.5 The financial services provider may not vote on behalf of the client in respect of any investment proposed by the financial services provider.

2.6 The financial services provider undertakes to provide the client with electronic reports and statements on a quarterly basis and advices are sent on a transaction basis. On request, reports will also be posted via normal mail to the client.

2.7 The financial services provider undertakes to obtain and transmit to the client any information which a relevant product supplier must disclose in terms of any law.

2.8 The client hereby authorises the financial services provider to utilize the services of its own staff or that of another approved services provider if and when necessary.

2.9 Securities are a medium to long term investment (minimum 3 – 5 years), past performance is not necessary a guide to future performance. The client will receive a 100% allocation on his investment which includes all income accrual and less any permissible deductions from the investment.

2.10 The financial services provider will only be able to process investments on receipt of funds paid into the client's bank/investment account.

3. INVESTMENT OBJECTIVES AND RISK PROFILE (See Risk Profile Questionnaire)

3.1 The client hereby acknowledges that he/she/it understands the investment objectives of the managed investments and that the portfolio that he/she/it invests in meets his/her/its investment objectives. Purpose of investment is to obtain capital growth, capital preservation, and income.

3.2 Risk Profile – The attention of the CLIENT is drawn to the fact that the shares on offer are listed/unlisted and should be considered as a risk capital investment.

3.3 Investments are not limited to investment in companies domiciled in the Republic of South Africa.

3.4 Description of the risk profile of the client: (please circle)

Low

Medium

High

4. REGISTRATION OF INVESTMENTS

The financial services provider shall register the investments that the financial services provider from time to time holds on behalf of the client in the name of the client, as detailed below:

4.1

Surname: _____

Client Initial

Title: _____

First Names: _____

Postal Address: _____

Postal Code: _____

Residential Address:

Income Tax No: _____

ID/Passport Number: _____

Tel (Home): _____ Tel (Work): _____

Fax No: _____ Email: _____

Mobile Phone: _____

4.2 JURISTIC PERSONS

Name: _____

Registration No: _____

Trading Name: _____

Income Tax No: _____ VAT No: _____

Registered Business Address:

Contact Person: _____

Postal Address:

Telephone Number: _____

Fax Number: _____

E-mail: _____

4.3 AUTHORISED RERESENTATIVE OF JURISTIC PERSON

Designation: _____

Surname: _____ Title: _____

First names: _____

Postal address: _____

Code: _____

Physical Address:

Tel No: _____ Mobile phone: _____

Fax No: _____ E-mail: _____

Source of funds: (inheritance, salary, other: please specify)

5. TREATMENT OF FUNDS

5.1 The financial services provider shall forthwith deposit all monies received, in connection with the management of investments, to the credit of the client into the clients:

Bank account name: _____

Bank account number: _____

Bank account branch code: _____

Any other banking details: _____

5.2 Cash accruals (including dividends and interest), which are not re-invested, that the financial services provider receives on behalf of the client shall be deposited by the financial services provider into the clients' bank/investment account in terms of this mandate.

5.3 The financial services provider shall not receive any lump sum deposits or monies or cash in whatsoever form relevant to the investments.

5.4 Cash accruals, including interest that the client receives will be re-invested by the financial services provider on a limited discretionary basis in terms of this mandate, unless otherwise specifically indicated by the client.

6. REMUNERATION

6.1 The client shall remunerate the financial services provider for the management of investments on behalf of the client as follows:

6.1.1. An annual management fee of a maximum of 2% of the client capital and a maximum of a 25% outperformance of the specified benchmark may be charged, to be calculated on a monthly basis and charged pro rata. (See 13 below)

6.2 The financial services provider shall not be liable to bear the following expenses, which shall be for the client's account.

6.2.1. stamp duties, taxes, governmental charges, brokerage, commission, penalties, transfer fees, registration fees and other charges payable in respect of the acquisition or realisation of, or income arising on the investments including charges for the transfer of investments or delivery instructions by telex, facsimile, cable or telephone;

6.2.2. any charges in connection with the safe custody of any investment.

6.3 The financial services provider will not receive any commission, fee rebates, incentives, fee reductions from any product supplier for placing client's funds with them.

7. PROHIBITION OF SELLING OR BUYING CERTAIN INVESTMENTS

The financial services provider shall not directly or indirectly –

- Sell any investments owned by the financial services provider to the client; or
- Buy for own account any investments owned by the client.

8. RISK DISCLOSURE

8.1 The investments made by the financial services provider are subject to normal market fluctuations and other risks inherent in investing in listed/unlisted securities. The Registrar of Companies scrutinises the information disclosed in prospectuses. The information disclosed complies with statutory requirements. The Registrar of Companies does not express a view on the risk for investors or the price of the shares. However the attention of the client is drawn to the fact that the shares on

offer are listed/unlisted and should be considered as a risk capital investment. Investors are therefore at risk as listed/unlisted shares are not readily marketable and should the company fail, this may result in the loss of the investment to the investor.

8.2 The client acknowledges that he/she/it has been made aware by the financial services provider of the risk profile pertaining to investments.

8.3 The client records that he/she/it accepts such risks, which may result in financial loss and will not hold the financial services provider responsible therefore.

9. LIABILITY AND INDEMNITY

9.1 Except for any deliberate act of gross negligence on the part of the financial services provider, its servants or agents, and except as otherwise expressly provided herein to the contrary, the financial services provider shall not be liable to the client or any third party for any loss to the client or any third party for any loss or damage of whatsoever nature and/or howsoever arising (including consequential or incidental loss or damage which shall include but shall not be limited to loss to property or of profit, business, goodwill, revenue or anticipated savings) or for any costs, claims or demands of any nature whether asserted against the financial services provider or against the client by any part arising directly or indirectly out of the investments, services, their use, access, withdrawal or suspension or out of any information or materials provided or not provided, as the case may be.

9.2 The financial services provider does not accept and shall have no responsibility of whatsoever nature or howsoever arising in respect of any claim, damage, loss or expense arising out of or in connection with fluctuations in the value of the investment.

9.3 The client hereby declares that all funds invested with the financial services provider are not the proceeds of unlawful activities.

10. NOTICES AND DOMICILIA

10.1 The parties choose as their domicilia citandi et executandi their respective addresses set out in this clause for all purposes arising out of or in connection with this agreement at which addresses all processes and notices arising out of or in connection with this agreement, its breach or termination may validly be served upon or delivered to the parties.

10.2 For purposes of this agreement the parties' respective addresses shall be (subject to change):

a.) **Financial services provider at:** 1 Sandpiper Cove, 25 Marine Drive, Umhlanga, Kwa-Zulu Natal, South Africa, 4319.

b.) **Client at:** _____

Postal Address:

Tel number: _____ Fax number: _____

10.2.6. **or** at such other address of which the party concerned may notify the other/s in writing provided that no street address mentioned in this sub-clause shall be changed to a post office box or poste restante.

11. TERMINATION OF MANDATE

11.1 Any amendment of any provision of this mandate shall be in writing and shall be by means of a supplementary or new agreement between the financial services provider and the client.

11.2 The financial services provider or the client shall be entitled to terminate this mandate after notice in writing of not more than sixty (60) calendar days.

11.3 If the Registrar of Financial Services Providers should withdraw the approval of the financial services provider this agreement shall, notwithstanding the notice period referred to forthwith be automatically cancelled without prejudice to any of the rights and obligations of the financial services provider or the client which have become due and enforceable as at such date of cancellation.

12. Financial Intelligence Centre Act checklist (F.I.C.A. checklist)

FICA CHECKLIST		
Provide originals or certified copies		
INDIVIDUAL		
Name identification	South African identity document (South African Citizen) or Passport (Non-residential)	
Address identification (Must reflect permanent residential/physical address)	Utility bill (less than 3 months old) or most recent lease or rental agreement or bank statement (less than 3 months old) or current payslip or most recent tax return (front page only).	
Banking details	Cancelled cheque or bank statement (less than 3 months old)	
Tax number	Documents issued by SARS reflecting name and tax numbers	
Third party	Power of Attorney and copy of South African identity document	
CLOSE CORPORATION		
Close Corporation identification	Registered CK1 and Current CK2 (where relevant) and Resolution passed by members authorising the investment and nominating a person to make the investment	
Identity documents of members	South African identity document	
Address identification (Must reflect permanent residential/physical address)	Utility bill (less than 3 months old) or most recent lease or rental agreement or bank statement (less than 3 months old) or current payslip or most recent tax return (front page only).	
Banking details	Cancelled cheque or bank statement (less than 3 months old)	
Tax number	Documents issued by SARS reflecting name and tax numbers	
COMPANY		
Company identification	CM1 (certificate of incorporation) and CM22 (certificate of registered address) and CM29 (list of directors)	
Identity documents of directors	South African identity document	
Address identification (Must reflect permanent residential/physical address)	Utility bill (less than 3 months old) or most recent lease or rental agreement or bank statement (less than 3 months old) or current payslip or most recent tax return (front page only) of the company and directors.	
Banking details	Cancelled cheque or bank statement (less than 3 months old) of the company.	
Tax number	Documents issued by SARS reflecting name and tax numbers of the company.	
TRUST		

Trust identification	Trust deed and Letters of authority and Trust resolution and Amended trust deed (if any)	
Identity documents of member/trustee	South African identity document	
Proof of residency of each member/ trustee	Utility bill (less than 3 months old) or most recent lease or rental agreement or bank statement (less than 3 months old) or current payslip or most recent tax return (front page only) of the company and directors.	
Banking details	Cancelled cheque or bank statement (less than 3 months old)	
Tax number	Documents issued by SARS reflecting name and tax numbers	
UNINCORPORATED ENTITY (PARTNERSHIP, CLUB OR VOLUNTARY ASSOCIATION)		
Entity identification	Document by which the entity is founded and Copy of resolution nominating a person to make the investment on behalf of the unincorporated entity	
Identity documents of members	South African identity document	
Identity of partner(s) or member(s)	Complete static detail form for each partner and/or member and include the supporting documentation as listed on that form	
Banking details	Cancelled cheque or bank statement (less than 3 months old)	
Tax number	Documents issued by SARS reflecting name and tax numbers	

13. Fee description for remuneration of Wealthgrowth Investment Management (Pty) Ltd:

Maximum Management Fee: 2% per annum

Maximum Outperformance fee: 25% of the specified benchmark.

Segregated Portfolio Models Fee Explanation	
Maximum Annual Management Fee: 1.25%	
Maximum Outperformance Fee: 20% of the stipulated benchmark	
Name of the model portfolio	Benchmark
South African General Equity	Johannesburg Stock Exchange All Share Index (J.S.E. All Share)
South African Concentrated Equity	Johannesburg Stock Exchange Top 40 Index (J.S.E. Top 40)
United Kingdom Concentrated Equity	Financial Times Stock Exchange 100 Index (F.T.S.E. 100)
United States N.A.S.D.A.Q. Concentrated Equity	National Association of Securities Dealers Automated Quotations 100 Index (N.A.S.D.A.Q. 100)
United States N.Y.S.E. Concentrated Equity	Standard and Poors 100 Index (S&P 100)
The benchmarks are the trading indexes and do not include dividends or other income All fees are calculated monthly on a pro rata basis on clients capital Wealthgrowth Investment Management (Pty) Ltd may lower fees for certain but may never exceed the maximums	

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Segregated/Tailor Made Share portfolios (Only for investments of over ZAR100 million, US\$10 million, GB£8 million)

Fees may be negotiated between the Client and Wealthgrowth Investment Management (Pty) Ltd between 0% and 2% annual management fee and between 0% and 25% outperformance of the stipulated benchmark. The only benchmarks that may be considered are the same as the Segregated Portfolio Models above. All fees will be calculated monthly on a pro rata basis on the client's capital.

Description	Amount
Agreed Annual Management Fee	
Agreed Outperformance Fee (%)	
Agreed Benchmark	

Brokerage fees: Wealthgrowth Investment Management (Pty) Ltd uses Peregrine as their prime broker, Peregrine may charge a maximum of 0.35% in brokerage fees (minimum R125 per transaction) and this excludes other fees and levies charged by stock exchanges. Brokerage fees will be disclosed in by Peregrine in their contract notes. Wealthgrowth Investment Management (Pty) Ltd does not share in brokerage fees as the aim is to reduce fees for clients so that clients achieve greater returns. Peregrine may charge R150 per quarter to administration fee if revenue generated is less than R500 for the quarter.

14. RISK PROFILE QUESTIONNAIRE

Dear client, please fill in the risk profile questionnaire, you feel more comfortable filling it in with your financial adviser. Please be as accurate as possible so that your financial adviser or Wealthgrowth Investment Management (Pty) Ltd can match your risk profile to our products. If wish to invest in products higher or lower than your risk appetite, please fill in point 6 of the risk profile questionnaire.

RISK PROFILE QUESTIONNAIRE

1. Have you previously invested in any of the following asset classes?

- 1.1 Cash (money in the bank)
- 1.2 Bonds
- 1.3 Property
- 1.4 Shares / Equity

YES	NO
YES	NO
YES	NO
YES	NO

2. Have you previously invested in any of the following products?

- 2.1 Endowment policies
- 2.2 Retirement Annuities
- 2.3 Living Annuities
- 2.4 Collective Investment Schemes / Unit Trusts
- 2.5 Offshore Investments
- 2.6 Other

YES	NO
YES	NO
YES	NO
YES	NO
YES	NO
YES	NO

3. The Client Points scoring guideline to indicate the investment portfolio required.

Points

3.1 My Current Age is:

Under 40	14
41-50	10
51-60	8
61-70	4
Over 70	2
Total	

3.2 Within the next few years my income will:

Decline	0
Stay the same	2
Increase	4
Total	

3.3 My Investment experience can be described as:

I have never invested in unit trusts or shares and only invested in cash	4
I have invested a small sum of money in unit trusts or shares (R50,000 to R250,000)	6
I have invested a fair amount of money in unit trusts or shares (R250,000 to R500,000)	10
I have invested a large sum of money in shares, offshore investments, options etc	14
Total	

3.4 My Investment funds are:

Compulsory funds – Part of my retirement funding	4
A combination of retirement funds and voluntary funds	6
Voluntary Funds	8
Total	

3.5 I will require a regular income from the investment in:

Currently or less than 1 year	2
1 to 5 years	6
5 to 10 years	10
10 years plus	20
Total	

3.6

I am very nervous and I will sell quickly if I start to lose money.	0
If an investment loses more than 5% in 3 months I will sell.	4
I realise there are fluctuations in the market and usually wait for at least a year before making any decisions regarding my investments.	10
Even if poor market conditions result in large losses (over 15% pa), I follow a long-term investment objective and plan.	14
Total	

Total of 3.1-3.6

Risk Profile score indicator

Low: 0-30 points

Medium: 31-60 points

High: 60 points plus

4. Product risk profile guide

(Please note that the below is a guide of each products risk, in points. The client may invest in a higher or lower risk profile product than their score, provided the client fills in and signs point 6 below.)

South African General Equity	50+
South African General Equity	60+
United Kingdom Concentrated Equity	60+
United States N.A.S.D.A.Q. Concentrated Equity	60+
United States N.Y.S.E. Concentrated Equity	60+

Client Initial

5. Declaration regarding the information supplied

The client declares that all information given to the Authorised Representative of Wealthgrowth Investment Management (Pty) Ltd either verbally or written is factual and correct and should this information change, in any way, they will supply the Authorised Representative with any such changes in writing, signed by the client. Wealthgrowth Investment Management (Pty) Ltd will utilise the above information in the process of managing the clients funds as the appointed discretionary manager.

6. Client discretion

The client may wish to choose an investment that of a higher or lower risk than their score.

If this is the case the client must complete the following:

I _____, referred to , as the client, would like to invest in a portfolio that is higher/lower (please delete irrelevant one) than my risk profile score, I have not been coerced in any way and will not hold Wealthgrowth InvestmentManagement (Pty) Ltd liable in any way for my discretionary choice.

Completed at _____ on the _____.

Signature of the client

Signature of financial adviser (if used)

Signature of Wealthgrowth Investment Management (Pty) Ltd Representative (if needed)

15. PRODUCTS AND FINANCIAL ADVISER FEES

Please tick and initial below if you would like to choose to have your money managed by following a Segregated Portfolio Model.

Segregated Portfolio Models:	Client Initial	Tick
South African Concentrated Equity		
South African General Equity		
United Kingdom Concentrated Equity		
United States N.A.S.D.A.Q. Concentrated Equity		
United States N.Y.S.E. Concentrated Equity		

(All fees that the financial adviser earns must be agreed upon by the client, the financial adviser may charge any fee up to and including the maximum as prescribed by the Financial Advisory and Intermediary Services Act of South Africa.)

16. DECLARATION

I/We warrant that the information contained herein is true and correct and that where this application is signed in a Representative capacity I/We have the necessary authority to do so and that this transaction is within my/our power. I/We understand that this application read with the annexure constitutes the entire agreement between the financial services provider and myself/ourselves. I/We understand the Terms and Conditions as above, and that I/We have received the disclosure information and prospectuses where applicable.

17. BANK ACCOUNT DETAILS TO DEPOSIT FUNDS INTO

Account Name: Peregrine Equities (Pty) Ltd- Resident Trust Account

Bank Name: Standard Bank

Branch Code: 019205

Account Number: 220737622

Branch Name: Sandton

Reference: Use your account number once your account has been opened with Peregrine, this will be sent to you.

18. EFFECTIVE DATE

This mandate will become of force and effect signed at _____

on this _____ day of _____ 20 _____

(For and on behalf of the financial services provider, the signatory warranting that he/she is duly authorised)

As witnesses :

1. _____ 2. _____

SIGNED AT _____ ON THIS _____ DAY

OF _____ 20 _____

(For and on behalf of the client, the signatory warranting that he/she is duly authorised)

As witnesses :

1. _____ 2. _____